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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - August 17, 2007

1. The following are brief items of interest compiled by Embassy Minsk.

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Civil Society

2. Demographic Trends

The Ministry of Labor and Social Security announced on August 10 its newest demographic statistics. The good news: according to the ministry, the country's birth rate rose by 8.8 percent during the first half of 2007, while the death rate dropped by 4.2 percent. The bad news: the number of divorces increased by 15.4 percent and the number of marriages is up only 5.1 percent. Officials stated that, as a result, Belarus faces a problem of "instability of family relations and social orphanhood." Ministries are set to implement programs to encourage responsible parenting, prepare youth for family life, and talk about positive family experiences. Other facts: the mortality rate in rural areas is more than twice as high as in the cities. Cardiovascular disease, fatal incidents, and cancer are the leading causes of death.

3. Entrepreneurs Resolve to Strike and Defend Rights

Small business NGO "Initiative" leader Viktor Gorbachev announced that market vendors plan a national one-day strike set for September

1. The vendors made the decision based on the local authorities' unsupportive reaction to their protest against recent arbitrary inspections, seizures, and fines at markets. Gorbachev estimated 50,000 vendors could potentially join the strike across Belarus. He also said the activists will hold a conference on August 27 to adopt a statement against increased pressure from the GOB, and to discuss steps to counter illegal raids.

4. Independent Editor Faces Criminal Charges

Prosecutor's office in Kletsk, Minsk Oblast resumed a criminal case against Sergey Ponomorev, publisher and editor of a local independent bulletin. A case against Ponomorev charging him with slander against law enforcement officers was closed in June 2007 after linguistic experts found no mention of slander in the publication's articles. Renewed criminal charges came after Ponomorev filed an application with the local authorities to obtain permission to stage a picket in support of political prisoner Aleksandr Kozulin.

5. Polish Officials Denied Entry to Belarus

Belarusian border officials denied entry to the Vice Speaker of the Polish Senate, the Deputy Head of the Senate Chancellery, and two members of the Polish legislature. The group was traveling to Belarus on August 15 to attend Polish Army Day celebrations, organized by the independent Union of Belarusian Poles in Grodno. The Belarusian Foreign Ministry stated that the Polish officials are on the travel ban list because they are traveling with the purposes of "political propaganda, inciting discord in the Polish community, and engaging in unconstructive dialogue."

16. GOB Denies Registration to Left-Wing Coalition

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On August 9, Belarus' Ministry of Justice denied for the second time the registration of the Union of Left Parties, an alliance of three left-wing opposition parties. The ministry cited mistakes made in the registration application. The alliance plans to appeal the decision. The Union's first application was rejected on the pretext that its founding conference was held in Ukraine, in contradiction with a Belarusian law forbidding political parties to hold events abroad. The alliance submitted its second application after holding another founding conference within Belarus.

17. Customs Officers Detain Activist, Seize Publications

On August 14, Belarusian customs officers held Dzyanis Sadowski, an opposition activist, at the Polish border for two hours. The officers confiscated CDs, books and leaflets from among his belongings. They eventually released him to continue his trip to a workshop in Poland. The confiscated material included files on Stalin's purges, literature by Vasil Bykaw and leaflets opposing the Belarusian religion law.

18. Organizers Fined for Collection Box at Free Concert

On August 10, the Gomel Regional Economic Court fined the organizers of a pro-opposition concert nearly USD 150 after finding them guilty of the illegal business activity of collecting money at a supposedly free concert. The group asserted that the case was politically motivated and that the code used to impose the fine did not apply to their case, as they did not earn any income from the concert.

19. Activist Resorts to Begging to Pay Damages

On August 13, police in Vitebsk detained 65-year-old human rights activist Valery Shchukin as he begged passers-by for money to help him pay for court-ordered damages. Shchukin was judged guilty of insulting an elections official for suggesting that she had rigged recent local elections, and ordered to pay USD 100 in damages. Authorities released Shchukin, allowing him to continue begging on the condition that he stopped distributing leaflets regarding the case.

10. Union Refuses to Disclose Information

On August 14, the Free Union of Metal Workers refused a government order that demanded a list of the union's members and "detailed information" regarding the union's activities. The union's leader stated that such a disclosure of information could lead to government pressure on the union's individual members. The ministry later acquired the union's membership rolls in 2006, and proceeded to harass members. The group asserts that this latest demand is part of a government crackdown on the union.

11. Minsk Court Rejects Historian's Lawsuit

On August 13, the Minsk City Court upheld a refusal to hear a lawsuit brought by historian Irina Kashtalyan. Kashtalyan, a founding member of an association of independent historians, filed the suit against the Supreme Certification Commission for rejecting her doctoral dissertation. The commission stated that her dissertation, which deals with Belarus in the aftermath of World War II, tries to persuade its reader that the Soviet Union "was not a natural mother but an evil, heartless stepmother for the Belarusian people." The suit also charges the commission with violating regulations governing the granting of scientific degrees. The Minsk district judge declined to hear the suit on the grounds that her jurisdiction does not cover scientific disputes.

Domestic Economy

12. Lukashenko: Natural Gas Price Hikes Won't Hurt

President Lukashenko stated that higher natural gas prices will not affect living standards of the people of Belarus or the value of the ruble. He also pointed out that the country successfully managed to settle much its gas debt without the help of the USD 1.5 billion loan that Russia had promised. He further announced that Belarus' currency reserves have increased in the past year, ensuring stability of the Belarusian ruble and the overall economy.

13. No More Russian Ruble Peg

Belarus plans to give up pegging its currency to the Russian ruble. Belarus has pegged its currency to both U.S. dollar and Russian ruble since early 2006. According to a National Bank official, the system caused problems with calculating Belarusian ruble exchange rates with other currencies. The president must still approve of the implementation schedule.

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International Trade

14. Belarus Bans Meat Imports In Private Luggage

Belarus' State Customs Committee announced an indefinite ban on meat imports in private luggage starting August 11. The Agriculture Ministry supposedly initiated the ban because of the worldwide increase of foot-and-mouth disease, African swine fever, and avian flu. However, an anonymous official at one of the country's largest meat processors told Radio Liberty the true purpose was to cut down competition from Belarusian nationals residing in border areas who profit from unofficial meat import operations.

¶15. Financing Deal For John Deere Shipments

On August 9, Belarus' second largest bank, Belagroprombank, signed a credit agreement with the U.S. "Deere Credit, Inc." The deal represents the first time a Belarusian bank has signed an agreement with a foreign non-banking financial organization. The agreement provides for financing shipments of John Deere equipment to Belagroprombank clients.

¶16. Quote of the Week

Minister of Internal Affairs Vladimir Naumov proposed how to reduce drinking in Belarus, at least when the weather is good:

"In 1985 we sharply reduced the amount of alcohol for sale, but no alternative was created. In Belarus today a lot is being done so that there will be an alternative. Just this morning, we talked about putting a bike path around the ring road so any one who could want could bike 10 or 20 miles."

Stewart